

November 28, 2008

Board of County Commissioners
Ravalli County Courthouse
215 South 4th St.
Hamilton, MT 59840

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Ravalli County Commissioners

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Re: Legislative Priorities

Dear Commissioners:

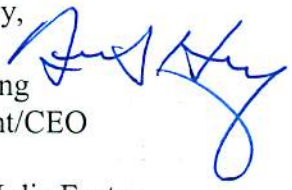
We are enclosing a copy of a letter that we are sending to Legislators from Missoula and Ravalli Counties. The letter summarizes legislative priorities for our organization, which were approved by our Board of Directors at their last meeting. The letter was sent to the following members of Montana's House and Senate:

Representative Dave McAlpin
Representative Robin Hamilton
Representative Tim Furey
Representative Dick Barrett
Representative Teresa Henry
Representative Michelle Reinhart
Representative Betsy Hands
Representative Sue Malek
Representative Bill Nooney
Representative Ray Hawk
Representative Ron Stoker

Representative Bob Lake
Representative Gary McLaren
Senator Carol Williams
Senator Carolyn Squires
Senator David Wanzonried
Senator Rick Liable
Senator Jim Shockley
Senator Ron Erickson
Senator Greg Lind
Senator Cliff Larson
Senator Greg Hinkle

Several of the issues listed are obviously important to local government and our organization wants to make sure that our efforts at the Legislature are supportive of yours. Please contact us if you have any issues or concerns regarding the priority list. We also identify some issues that will come before the session but regarding which our organization has not taken a position. Representatives of the proposed National Museum of Forest History will be at our board meeting on December 16th seeking support for a request for funding assistance from the State of Montana. The Montana Legacy Project and the proposed creation of a Housing Montana Fund are two other issues that we are monitoring at this time and would appreciate any input you may have regarding these proposals, both of which will involve substantial funding requests.

Sincerely,


Dick King
President/CEO

cc: Julie Foster

November 25, 2008

 **COPY**

David Wanzenried
903 Sky Dr.
Missoula, MT 59804-3121

Dear Senator Wanzenried:

As you prepare to return to the Montana Senate, please accept our thanks for your work on behalf of the citizens of Montana. Our system of representative government depends on the willingness of citizens like yourself to put your name on a ballot and accept the decision of the voters. It also depends on the commitment of those who are elected to devote time and effort toward serving the interests of your constituents and the needs of the State. We appreciate your service.

Our purpose in writing today is to share with you the Legislative priorities of our organization. MAEDC'S Board of Directors met last week and approved the following positions regarding legislation that will be or may be introduced in the upcoming session:

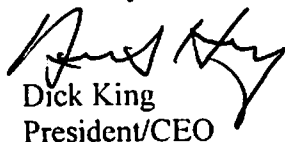
1. Extend the sunset for the economic development programs contained in statute. Unless the sunset provision is extended, all of these programs (including Growth Through Ag, Board of Research and Commercialization, Small Business Development Center, Certified Regional Development Corporations) will terminate on June 30, 2010. Our Board also supports an increase in funding to compensate for inflation since these programs were first authorized in 2000. Status: LC457, requested by the Departments of Commerce and Agriculture, would extend the sunset by eleven years. LC155, requested by Senator Dave Lewis, would eliminate the sunset provision entirely.
2. Reauthorize the New Worker Training Program for the next biennium and maintain the current level of funding (\$8 million). Currently a "one-time-only" program, new worker training is the keystone to the state's economic development effort and returns revenue to state government through new personal income taxes. The program provides an excellent return on the state's investment. Status: LC456, requested by the Department of Commerce, would make the primary sector business workforce training act permanent.
3. The Montana League of Cities and Towns and many communities across Montana will again seek legislative approval to allow any community to adopt a local option tax. Most states across the country permit local governments to enact such a tax, often putting communities in Montana at a competitive disadvantage. Although the bill is still being drafted, we understand that it will include mandated property tax relief as well as revenue sharing with

surrounding rural communities. MAEDC will support this bill due to the financial constraints that are limiting the ability of our communities to maintain and upgrade critical infrastructure systems.

4. Montana's tax increment finance program is a fundamental tool used by communities and counties across the state to support economic development. Representative Jon Sesso introduced a bill (HB 832) in the 2007 session that would have simplified the statutes authorizing tax increment districts and implemented other reforms intended to prevent abuse of the program. A similar bill will probably be introduced in the upcoming session. MAEDC supported HB 832 and will support a similar measure in the 2009 session if introduced. MAEDC will oppose any bill that would weaken or eliminate the tax increment program.
5. In addition to the above, our organization is also monitoring the following issues, but has not taken any position regarding bills that may be introduced:
 - a. The Montana Legacy Project (seeking funding to increase the amount of Plum Creek lands to be acquired by the State of Montana).
 - b. Creation of a "Housing Montana Fund," which will be proposed by Housing Montana Coalition.
 - c. Creation of an Incumbent Worker Training Program, based on a pilot program funded by the Montana Department of Labor and Industry and administered by the Big Sky Economic Development Authority in Billings.
 - d. State funding to match federal funds for the National Museum of Forest Service History.

If you have any questions regarding the above, please contact me or Chad DeLong, our Vice President. We look forward to seeing you during the session and we wish you the very best as you prepare for the 61st gathering of the Montana Legislature.

Sincerely,


Dick King
President/CEO

Cc: Missoula County Commissioners
Ravalli County Commissioners
Mayor, City of Missoula